




C H A R T I N G Y O U R C O U R S E

THE STATE OF MAINE
DEFERRED COMPENSATION PLAN



The State of Maine Deferred Compensation Plan is intended to satisfy the requirements for an "eligible deferred compensation plan" under Section 457 of the Internal Revenue Code of 1986, as amended from time to time, and all other applicable provisions of law and the regulations issued thereunder.

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CHARTING YOUR COURSE

Planning for retirement can seem like navigating through uncharted seas. No one knows exactly what lies ahead, or what they may face along the way. But, with the help of the State of Maine Deferred Compensation Plan, you can help ensure smooth sailing on the way to meeting your retirement goals.

The Plan offers you several important features to help make saving easy and rewarding:

- ★ **Automatic Payroll Deductions** — Each year, you can save up to 25% of your taxable pay through convenient payroll deductions, up to the annual IRS maximum. This amount will increase to 50% beginning in 2002.
- ★ **Wide Variety of Investment Options** — The Plan offers you four different financial services organizations from which to choose your investments. For more information on each financial services organization, refer to the introductory material in the back pocket of this guide.

- ★ **Tax-Savings Opportunities** — When you contribute to the Plan, you use pre-tax dollars, which means you save on your current taxes. You don't pay taxes on the money in your Plan account until you receive a distribution.
- ★ **Flexibility to Change Your Mind** — The Plan offers you the opportunity to change the amount you contribute and how your contributions are invested at almost any time.

To help point you in the right direction, the State of Maine provides this Deferred Compensation Plan guide. Use it like a map to help you chart your course to reach your retirement savings goals. This guide provides highlights of how the Plan works as well as some investment guidelines. Remember, how you choose to get to your destination is up to you, so it's important to take the time to read this material. Then, when you're ready to enroll, follow the step-by-step instructions on page 23.

PLAN HIGHLIGHTS

Saving for retirement may not be as simple as getting from point A to point B. However, the State of Maine Deferred Compensation Plan makes it easier. The Plan is designed to provide you with a convenient way to save while also offering tax-saving opportunities. Here's how the Plan works.

WHO CAN PARTICIPATE

You are eligible to participate in the Plan if you are:

- * Actively performing services for the State of Maine (including elected and appointed officials), and
- * Being paid for your services by the State.

HOW THE PLAN WORKS





Deciding How Much to Save

You decide how much you want to contribute to the Plan. You can contribute up to 25% of your taxable pay, subject to Internal Revenue Service (IRS) limits. This amount will increase to 50% beginning in 2002. The minimum contribution is \$20 per payroll period.

Your contributions are made on a pre-tax basis and are automatically deducted from your paycheck each pay period.

IRS LIMITS ON YOUR CONTRIBUTIONS

In order for you to enjoy favorable tax treatment, the Plan must follow specific IRS rules. For instance, the IRS limits the amount an individual can contribute on a pre-tax basis to deferred compensation plans each calendar year. Deferred compensation plans include plans established under sections 401(k), 403(b) and 457 of the Internal Revenue Code. For 2001, the 457 plan limit is \$8,500.

Of the three types of deferred compensation plans, 457 plans have the lowest limit, so that limit is applied to your total annual contributions for all deferred compensation plans during the year. For example, suppose this year you contribute \$5,000 to the State's Deferred Compensation Plan. That means the most you can contribute to any other deferred compensation plan(s) is a total of \$3,500 (\$8,500 limit minus \$5,000 Plan contribution).

New Rules Beginning in 2002

Beginning in 2002, you can contribute up to \$11,000 to this Plan each year, regardless of how much you contribute to any other plan. This amount will increase by \$1,000 each year until 2006.

Also beginning in 2002, a new "catch-up" contribution will be available to participants age 50 or older. You will be allowed to contribute an additional \$1,000 over the annual contribution limit in any calendar year, provided you have reached age 50 as of the last day of that year. The amount of this extra contribution increases by \$1,000 each year until it reaches \$5,000 in 2006. After that, the amount will be increased in \$500 increments, as needed to reflect increases in inflation. You will not be able to make this new catch-up contribution in any years in which you make a regular "catch-up" contribution (as described on page 8).



Investing Your Contributions

Your contributions are sent directly to the financial services organization you choose at the time you enroll. You direct how your dollars are invested and any gains or losses on your investments are applied to your account.

Because only you can decide who manages your investments, the Plan provides you with four financial services organizations from which to choose:

- ★ American General Financial Group (VALIC)
- ★ CitiStreet
- ★ Hartford Life Insurance Company, and
- ★ ING Aetna Financial Services.

Each of these organizations is considered a leader in offering professional investment management and each offers a similar variety of investment opportunities. It's important that you take the time to read about each one of them so you choose the investment provider that's right for you. Names and phone numbers of these financial services organizations are listed on page 25, and you'll find some introductory material in the back pocket of this guide.

Making Changes When You Want

Like a journey at sea, the course of your retirement planning may change along the way. That's why the Plan offers you the flexibility to make changes to your elections:

- ★ You can change the amount you contribute at any time. To make changes, contact your current financial services organization.
- ★ You can change your investment option within your current financial services organization at any time. You may also change your financial services organization once in a twelve-month period. Contact your current financial services organization for more information on how to make either type of change.

Please note that changes to your elections submitted on a paper form may take up to four weeks to process. However, some financial services organizations permit investment option changes via the Internet. Changes submitted on the Internet will be processed within 24 hours. Your financial services organization will provide you with more details.



Enjoying Tax Advantages

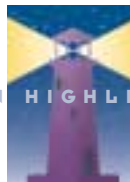
By participating in the Plan, you can take advantage of two important IRS-approved tax savings:

- 1 Reduce Your Current Taxes** — Your contributions to the Plan are made with pre-tax dollars, which means that your contributions are deducted from your pay before federal and state taxes are calculated.
- 2 Delay Taxes** — Your account grows tax free because you don't pay taxes on your contributions or any earnings on your investments until you receive a distribution.

Because these tax-savings opportunities play an important part in how your Plan account balance grows, let's take a closer look at how they work.

PRE-TAX SAVINGS PAYOFF

When you put your money in a traditional bank savings account, you save with after-tax dollars — money on which you've already paid taxes. In contrast, when you save through the State's Deferred Compensation Plan, you save with pre-tax dollars — money that has not yet been taxed. By saving on a pre-tax basis, you reduce your current taxable income by the amount you save. So, your take-home pay will be more than if you save the same amount on an after-tax basis. Here's an example of how pre-tax savings pays off.



An Example

Neil earns \$30,000 a year and contributes \$1,500 (5% of pay) to the Plan each year. This example shows the difference in Neil's spendable pay if he saves through the Plan and if he saves through a regular bank savings account.

Effect of Saving on Take-Home Pay

	Deferred Compensation Plan (Pre-Tax Dollars)	Bank Savings Account (After-Tax Dollars)
Annual Gross Income	\$30,000	\$30,000
Pre-Tax Contribution	– 1,500	– 0
Taxable Income	\$28,500	\$30,000
Estimated Federal Income Tax*	– 3,158	– 3,383
Social Security (FICA)	– 2,295	– 2,295
After-Tax Savings	– 0	– 1,500
Spendable Pay	\$23,047	\$22,822
Additional Take-Home Pay	\$225 (\$23,047 – \$22,822)	

* Based on 2001 federal tax rates, "single" taxpayer, standard deduction.

In this example, Neil has \$225 more to spend at the end of the year when he saves through the Plan, rather than a bank.



“CATCH-UP” CONTRIBUTIONS

If you're approaching retirement, you may be able to take advantage of a special feature that allows you to make up the contributions you could have made in the past, but didn't. You may be eligible to make this special “catch-up” contribution if:

- ★ You contributed less than the maximum limit in any year you were eligible to participate in this Plan, and
- ★ You are within three years of your normal retirement age.

You can request a catch-up contribution only once, including any catch-up requests you have made through other deferred compensation programs. Catch-up contributions must be completed in the calendar year that precedes the calendar year in which you retire.

For more information on the amount of catch-up contributions you can make, please call the Plan Administrator at 207-626-8437 or contact your financial services organization.

FACING ROUGH SEAS

Because plans that allow you to save on a pre-tax basis are intended as a means of saving for retirement, the federal government severely limits the withdrawals you may make before you retire or stop working for the State. However, the government recognizes that you may need to alter your course due to an unforeseeable emergency. In this case, you may be able to withdraw all or a portion of your savings from the Plan.

The IRS regulates what types of events can be considered an unforeseeable emergency. Some examples include:

- ★ Sudden or unexpected non-insured medical expenses for an illness or accident to yourself or your dependents
- ★ Non-insured losses of personal property, which occurred due to circumstances beyond your control, and
- ★ Any similar extraordinary or unforeseen emergency you could have neither budgeted for nor anticipated.

Unforeseeable emergencies do not include circumstances that could be planned for, such as payment for education, purchase of a home or automobile, or payment of taxes.



If you have an unforeseeable emergency, you may be able to make a withdrawal only if your hardship cannot be satisfied through any other means. You must be able to demonstrate that you have a heavy and immediate financial need. Plus, you can only withdraw the amount needed to satisfy your unforeseen emergency. Your withdrawal will be subject to ordinary income tax.

Each application will be considered on an individual basis. To request a withdrawal application for an unforeseen emergency, please contact your chosen financial services organization.

EFFECTS ON OTHER BENEFITS

Some of your other State plans, such as the pension plan, provide benefits based on pay. Your contributions to the Deferred Compensation Plan will not affect your benefits under these other plans. These plans will continue to provide benefits based on your gross pay before contributions to the Deferred Compensation Plan are deducted.

IF YOU TAKE A LEAVE OF ABSENCE

Depending on your pay status, your contributions may be affected if you take a leave of absence. If you are on a paid leave of absence, you can continue to make pre-tax contributions and change your investment elections. If you take an unpaid leave of absence, you can continue to change your investment elections but your pre-tax contributions will stop, since you will not receive a paycheck during your leave. Your contributions will automatically resume once you return to work, unless you elect otherwise.



WHEN YOU CAN RECEIVE A DISTRIBUTION

If You Stop Working

You will receive the full value of your Plan account either when you retire or if you stop working for the State before retirement. However, you can make an irrevocable election to delay your distribution date by notifying the Plan Administrator within 60 days before you retire or stop working for the State. You may delay payment to any date up until April 1 of the calendar year following the calendar year in which you reach age 70^{1/2}.

If you choose to delay your distribution date, your account balance will remain in the Plan. You will be able to direct the investment of your account and it will continue to reflect any investment earnings on a tax-free basis.

SPECIAL NOTE

The above distribution rules may change effective January 1, 2002. Watch for an update in your quarterly Plan newsletter.

If You Are Still Working

Even if you do not have an unforeseeable emergency as described on page 8, you may still be able to request a distribution from your account while you are employed by the State. You may receive an in-service distribution if:

- ★ Your total account balance is less than \$5,000
- ★ You have not deferred compensation to the Plan for at least two years, and
- ★ You have not previously received an in-service distribution.

Payment options

Your account balance will be paid to you in monthly installments over a period of 120 months, unless you elect another payment option. Generally, the other payment options available to you include the following:

- ★ Single lump sum
- ★ Monthly installments payable over a period specified by you
- ★ Monthly installments payable over your lifetime only (a “life annuity”)
- ★ Monthly installments payable over your lifetime and, upon your death, payable at a specified percentage to your beneficiary (a “joint and survivor annuity”), or
- ★ Any other payment method approved by the Plan Administrator.

Your financial services organization will provide you with details about the payment options it offers.



IF YOU DIE BEFORE YOUR BENEFITS BEGIN

If you die before you begin to receive benefits, your beneficiary will normally receive a single lump-sum payment. However, your beneficiary may elect, within 60 days following your death, to receive another form of payment and/or to delay payment.

ABOUT TAXES

When you receive a distribution, your benefit will be considered payment of wages and subject to the IRS withholding regulations in effect when you receive payment. If you do not file a W-4 form, you will be taxed at the maximum rate. You will be provided with additional tax information when you apply for a distribution from the Plan.

If you die before you begin to receive benefits, your designated beneficiary will be responsible for paying taxes on the distribution.

ROLLOVERS

Beginning in 2002, you can roll over taxable amounts into this Plan from any combination of qualified plans, 403(b) plans and/or other government 457 plans.

Withdrawals made as a result of an unforeseen emergency are not eligible for rollover.

You can also roll over a distribution from this Plan into any of these types of plans and/or any Individual Retirement Accounts (IRAs) you may have. If you do, your distribution will not be subject to mandatory tax withholding.

Also, if your spouse receives a distribution from the Plan upon your death, your spouse may elect to roll over the distribution into his or her employer's plan, if that plan allows.

MAPPING OUT YOUR STRATEGY

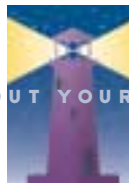
The best savings strategy is one that is based on your own individual needs and objectives. Whatever your retirement goals may be, you need to begin by planning how you'll get there. In order to do so, you should consider a combination of three factors:

- ★ How much you will need for a comfortable retirement
- ★ How much time you have to save, and
- ★ What your comfort level is with investment risk.

HOW MUCH WILL I NEED?

Generally, financial experts predict that most people will need 70% to 90% of their pre-retirement final pay to maintain the lifestyle they had before they stopped working. However, because each person has different savings objectives, you should consider your own personal retirement goals. Depending on where you see yourself in retirement, you may need more or less than what the experts estimate. And, don't forget to account for any expenses that may change when you retire. For example, your mortgage may finally be paid off, but you may decide to purchase another car or begin traveling more.

To develop a savings strategy, you should consider all your sources of retirement income, including your State pension plan, Social Security benefits and your own personal savings and investments. This will help you determine what role your participation in the Deferred Compensation Plan needs to fill in your future financial security.



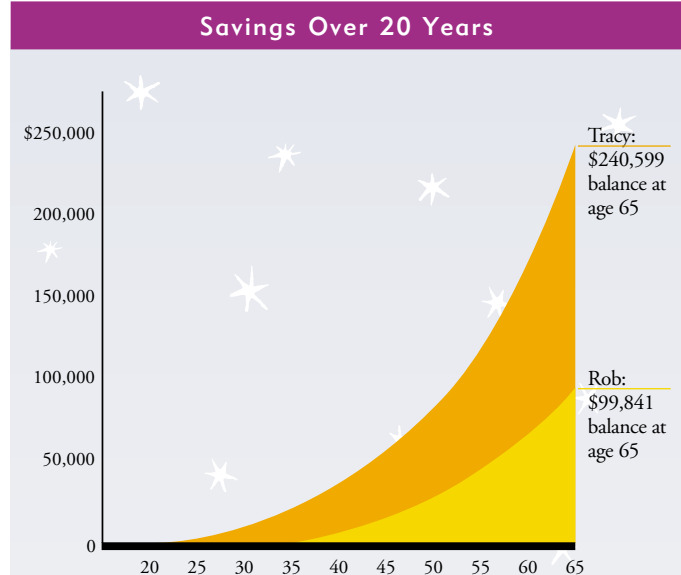
HOW MUCH TIME DO I HAVE?

The age at which you plan to retire can have a big impact on your savings strategy. The good news is that we are living longer. But, this also means that you must plan to live off of your retirement income for a longer period of time. For example, if you retire at age 65, you should plan on about 20 years in retirement. So, the sooner you start saving, the better. That's because the sooner you begin, the more time your savings have to grow and the bigger your Plan account balance will be by retirement. Even if you save only a little each month, your contributions and investment earnings can really add up.

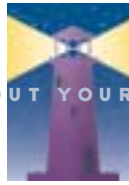
The Power of Compounding

Thanks to compounding, the money you save will start making money. "Monthly compounding" means that each month your account is adjusted to reflect the previous month's investment experience — both gains and losses. If the overall result is positive, you'll have an even larger account balance the next month to generate even more investment income.

Here's an example of Tracy and Rob, who both contribute \$100 each month to the Plan for a period of 20 years. Tracy starts contributing at age 22, while Rob begins at age 35. In this example, let's assume that their investments earn a 7% annual rate of return, compounded monthly on each account.



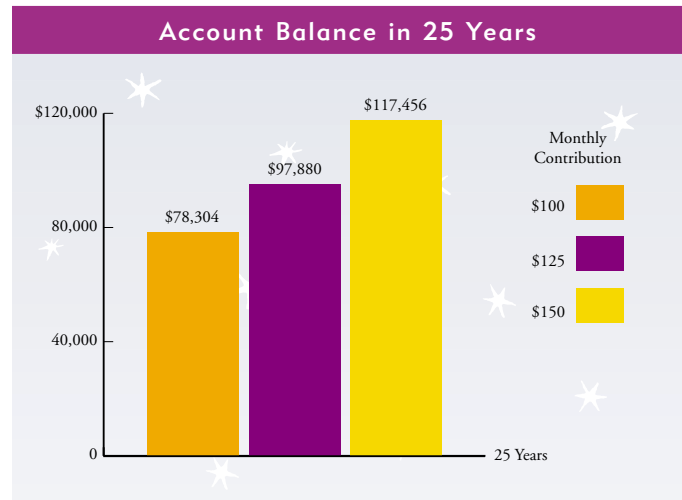
As you can see, even though Tracy and Rob contribute the same amount of money over the same number of years, Tracy's account balance is \$240,599 and Rob's is \$99,841, at age 65. Tracy's account balance is \$140,758 larger because she had a head start, which means her investments had a longer period of time to earn interest and grow.

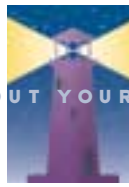


A Little Goes a Long Way

You can make your money grow faster by increasing the amount you save — even by just a few dollars. The chart to the right shows what a big difference a small increase in your savings can make.

Assume that Jasper earns \$30,000 annually, and is currently saving \$1,200 per year, or \$100 per month through the Plan. Also, let's assume that Jasper's Plan investments earn 7% a year, compounded monthly. As the chart on the right illustrates, in 25 years Jasper's combined savings and investment earnings will equal \$78,304. If he increases his savings by \$300 per year (or \$25 more per month), his account balance in 25 years jumps to \$97,880. That's an increase of \$19,576 in his retirement savings — and all it took was saving an extra \$25 per month! Better yet, if Jasper increases his savings by \$600 per year, in 25 years his account balance increases to \$117,456. That's an additional \$39,152 just for saving \$50 more per month!





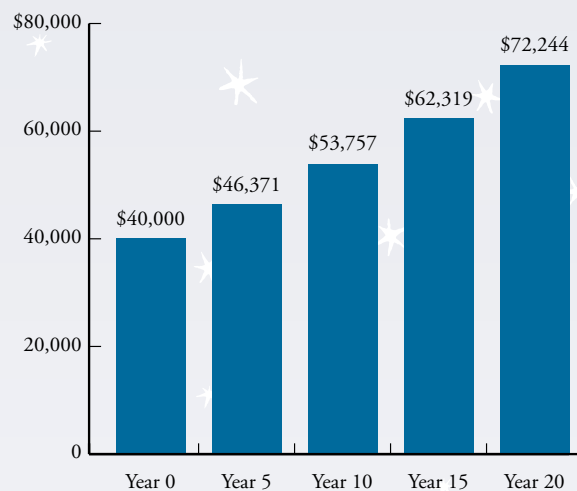
Don't Forget About Inflation

When you save over time, an important factor to remember is inflation. Here's an example of how inflation can affect how much you need to save.

An Example

When Susan retires at age 65, her salary is \$50,000. Let's assume she needs 80% of her final pay — or \$40,000 — to live comfortably during her first year of retirement. Here's how a 3% inflation rate could affect Susan's retirement income over time.

Estimated Annual Post-Retirement Income



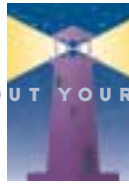
To keep pace with inflation, Susan will need about \$46,371 to maintain her lifestyle in her fifth year of retirement; and \$72,244 in her 20th year! Now you can see how important it is to plan ahead and start saving today for tomorrow.

WHAT'S MY ATTITUDE TOWARD RISK?

When you invest, you hope to get back more money than you originally put in. This is called a “return on your investment.” However, while investments offer possible returns, they also carry certain risks. Generally, the younger you are, the more risk you can afford to take. That's because if the market turns down, you have more years to recover from any short-term losses. Along those same lines, as you get closer to retirement, you may want to consider shifting your portfolio to less risky funds since you will have less time to offset any volatility in the stock market.

What Is Risk?

Risk is the possibility that the value of your investment will decrease — or will not increase at the expected rate. Each of your investment options offers a different degree of risk. Generally, the higher the risk, the higher the potential return on your investment. Likewise, lower-risk investments, with their lower potential for loss, tend to offer a lower return. There are different types of risk an investor faces. Here are some examples.



Inflation Risk

Inflation risk is the risk that over time your investments will not keep pace with the rate of inflation. In other words, if the rate of inflation is greater than the rate of return on your investment, you reduce your real rate of return.

For instance, if your return is 7%, but inflation is 3%, your “real” return is only 4% (7% minus 3%). So, if inflation is higher than your earnings, you’re actually losing money...even if it looks like your account is growing. Aggressive and moderate investment choices are more likely to outpace inflation, but also tend to be subject to “stock market risk.”

Business Risk

Business risk is the possibility that a company’s stock or bonds may experience poor returns or the company may even go out of business. As a result, you may lose part or all of your investment.

Stock Market Risk

Stock market risk is the possibility that a downturn in the market will cause your stocks to decrease in value. The greatest risk exists in the short term, since investing over a longer period of time usually makes up for any fluctuations. The stock market is influenced by many factors, including expectations about the economy and the fortunes of individual companies.

Interest Rate Risk

The major risk associated with bonds is interest rate risk. If interest rates rise, your bond investment may be locked into receiving a lower rate of return and, by doing so, decline in value. On the other hand, when interest rates fall, bond prices rise. This means your investment will rise in value.

The information presented in this guide is not intended as investment advice. Its purpose is to help you understand the investment options available through the State of Maine Deferred Compensation Plan. Your financial strategy and investment choices are entirely your own and should reflect your personal needs and circumstances.

State of Maine personnel cannot provide investment advice. For more information, you may wish to consult with a professional financial advisor.

UNDERSTANDING YOUR INVESTMENT OPPORTUNITIES

Now that you know where you're headed, it's time to determine how you'll get there. By understanding your investment options, you will be able to select the investments that most closely match your personal savings objectives.

TYPES OF INVESTMENTS

The Plan's financial services organizations offer you a wide selection of investments to choose among, representing varying levels of risk and return. While each of the financial services organizations may categorize its investment offerings differently, there are three main categories, or "asset classes," to consider: growth, income and stability.

Growth — includes stocks, real estate and other types of equity that offer variable returns. This means that the rate of return on these investments depends on factors such as the condition of the stock market and the overall economy. Over the long term, variable-return investments — especially stocks — generally have rewarded their investors with higher returns than income and stability investments. However, this type of investment generally also has the highest risk factor.

Income — includes debt instruments such as bonds. These are "IOUs" issued by corporations and governments, promising to pay a fixed rate of interest over a specified period of time. Therefore, these options are sometimes referred to as fixed-income investments. Bonds promise to repay your principal (your initial investment) at maturity. So, if a bond is sold before maturity, you may make or lose money depending on interest rates at that time. Generally, as interest rates rise, the value of bonds decreases. This type of investment generally offers moderate to high risk.

Stability — includes cash reserves, such as U.S. Treasury bills, bank deposits, certificates of deposit (CDs) and money market funds. These are short-term investments issued by insurance companies, corporations, banks or governments that mainly try to preserve your initial investment only. In general, the risks are low, and so are the returns.

There are also investment options such as *mutual funds* that offer a combination of the characteristics found in the three main investment categories. A mutual fund is a portfolio of stocks, bonds and/or cash reserves. Therefore, it offers a combination of the features of the underlying



growth, income and stability investments. Professional investment managers are responsible for monitoring a mutual fund's performance as well as deciding when to buy or sell portfolio assets.

Important Information About Operating Expenses

Mutual funds may pass along to you certain operating expenses for managing your investments. These expenses are deducted from the mutual fund's assets and are applied to your account each year. You may wish to keep track of these expenses and take them into account when you choose your investment options. The most common operating expenses are outlined on the following chart. Since these fees are automatically deducted from your account, they will affect the potential return on your investments.

Types of Operating Expenses
Management Fees — to pay the investment manager or advisor
12b-1 Fees — to cover certain costs related to marketing the fund
Administrative Fees — for maintaining accounts, enrollment, education, customer servicing, tax reporting, compliance services, third-party administration services, etc.

HOW TO BALANCE RISK

Although there is no way to eliminate investment risk, there are things you can do to help minimize its effects.

Diversification

Many financial experts suggest that you allocate your money among different types of investments that have varying degrees of risk and return over time. This is called *diversification*. In other words, don't put all your eggs in one basket. Choose a mix of investments from each asset class (growth, income and stability). By diversifying your portfolio, you're less likely to feel the effect of a single investment's poor performance.

Combination Funds

Mutual funds can provide a combination of features from more than one asset class. Investment options in these categories are sometimes referred to as "balanced funds" or "lifestyle funds." Investing in this type of option can provide you with a degree of the diversification you would achieve by investing in a variety of options among different asset classes.



Different Options Within Asset Classes

You may also wish to invest in more than one option within an asset class. For example, you may decide to invest in more than one growth option. That's because the available growth options may each have a different emphasis. For instance, some growth options may invest primarily in "small cap" companies (small, developing companies with market capitalizations that are typically \$2 billion or less), while others may stress international funds. Growth funds may also place a different weight on value (what the investment is worth in the short term) versus growth potential (what the investment will be worth in the future).

You should carefully review the description of each investment option available from the Plan's financial services organizations to be sure your investment elections meet your needs.

INVEST FOR THE LONG TERM

When choosing and monitoring the performance of your investment options, it's a good idea to keep your long-term investment goals in mind. It's easy to react to every change in the stock market. However, the longer you keep your money invested, the better your chances are of recovering from a downturn in the market.

GETTING STARTED

Now that you have charted your course, it's time to get started. Remember, it's never too early or too late to begin saving for your retirement. And, by following the simple instructions below, it's easy to get started today.

HOW TO ENROLL

Enrolling in the Plan is easy when you follow these steps:

STEP 1: Review the introductory material enclosed for each of the available financial services organizations: American General Financial Group (VALIC), CitiStreet, Hartford Life Insurance Company and ING Aetna Financial Services.

STEP 2: Contact one or more financial services organizations you feel may be right for you. Tell them that you would like information on participating in the State of Maine Deferred Compensation Plan. They will send you enrollment materials, information about their investment options and other details about their services and the Plan.

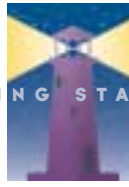
STEP 3: Choose a financial services organization

after you review the Plan information and investment options.

STEP 4: Register your elections by completing the appropriate forms as follows:

- ★ Indicate how much you want to contribute to the Plan each pay period.
- ★ Determine which of the available options you want to invest in.
- ★ Sign the applicable forms and return them directly to the financial services organization you select. Be sure to keep copies for your files.

If your forms are received at least three business days before your next pay period, your participation in the Plan will become effective as of your next pay period. For example, if you are scheduled to be paid on Wednesday, October 24, and your agreement and application are received by Friday, October 19, your participation will begin on Wednesday, October 24.



TERMS YOU SHOULD KNOW

The following definitions should help you understand some of the terms used throughout this guide.

BOND A debt instrument issued by companies and governments that promises to pay interest and return on principal to an investor within a specified period of time.

COMPOUNDING The way interest is calculated on both principal and already-accrued interest.

DIVERSIFICATION Spreading your assets among many different investments to reduce the risk of investing in a single investment option.

INFLATION The loss of purchasing power that results from a general increase in the price of goods and services.

NORMAL RETIREMENT AGE Age 70 $\frac{1}{2}$, unless you have previously elected an alternative retirement age in writing. For members of the Maine State Retirement System (MSRS), retirement age may not be earlier than the age at which you can retire with an unreduced MSRS benefit. Members of the Age 60 Plan may retire with an unreduced benefit at age 60 or after completing 25 years of creditable service. Members of the Age 62 Plan are eligible for an unreduced benefit at age 62. If you are not a MSRS member, your normal retirement age cannot be before age 55.

PORTFOLIO The various investment holdings of an institution or an individual.

PRINCIPAL The dollar amount of your initial investment.

PROSPECTUS A formal written document that describes important information an investor needs to make an informed decision about investing. A prospectus includes a particular option's history, background on the option's investment managers, its objectives and other essential information.

STOCK A certificate of ownership for a portion of a company. Stocks allow an investor to share in a company's profits when their value goes up.

PARTICIPATING FINANCIAL SERVICES ORGANIZATIONS

For complete information on each available financial services organization's products and services, including any investment option fees, prospectuses, contract descriptions or Plan documents, please contact the participating financial services organizations directly. Information about each financial services organization is available online at www.state.me.com. Direct contact information is also provided below, for your convenience.



VALIC An American General Company
Northeast Regional Office
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Maine: 1-800-448-2542 Ext. 88631
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Hartford Life
Hartford Life Insurance Company
Retirement Plan Solutions
P.O. Box 1583
Hartford, CT 06144-1583
Maine: 1-800-640-8787
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5 Sheep Davis Road, Suite D
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ING Aetna Financial Services
Aetna Investment Services, LLC
151 Farmington Avenue
Hartford, CT 06156
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Outside Augusta: 1-800-238-8458
www.aetnafinancial.com

SMOOTH SAILING AHEAD

Reading this guide should provide you with the information you need to begin — or continue — your journey towards future financial security.

If you have any questions about the State of Maine Deferred Compensation Plan after reading this guide, please call the Plan Administrator at 207-626-8437.



This guide is intended only to provide highlights about the main features of the State of Maine Deferred Compensation Plan and general investment guidelines. For more details on how the Plan works, refer to the Plan document that governs the operation of the Plan. The Plan document is available from your financial services organization. If there are any differences between this guide and the official Plan document, the Plan document will govern. In addition, you cannot assign, pledge, sell or otherwise transfer your Plan account balance.

This guide is not a contract of employment.

